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Date: March 24, 2004 Planning Commission Meeting

Item No.

MILPITAS PLANNING COMMISSION AGENDA REPORT

Category: Public Hearing

Report Prepared by: Troy Fujimoto

Public Hearing: Yes: X No:

Notices Mailed On: 3/12/04

Published On: 3/11/04

Posted On: 3/12/04

TITLE: USE PERMIT NO. UP2004-4

Proposal: A request for a parking reduction of 18 parking spaces for a proposed conversion of R&D uses to medical offices.

Location: 611 Milpitas Boulevard

APN: 086-42-029

RECOMMENDATION: Approval with Conditions

Applicant: HCP 611 Milpitas LLC, 626 Wilshire Blvd. #550, Los Angeles, CA 90017

Property Owner: Same as above

Previous Action(s): "S" Zone Approval, Amendments and EIA

General Plan Designation: Heavy Industrial

Present Zoning: Heavy Industrial with an "S" Zone Overlay (M2-S)

Existing Land Use: Medical office, Research and Development

Agenda Sent To: Applicant/Owner

Attachments: Plans

Letter from applicant, dated January 30, 2004

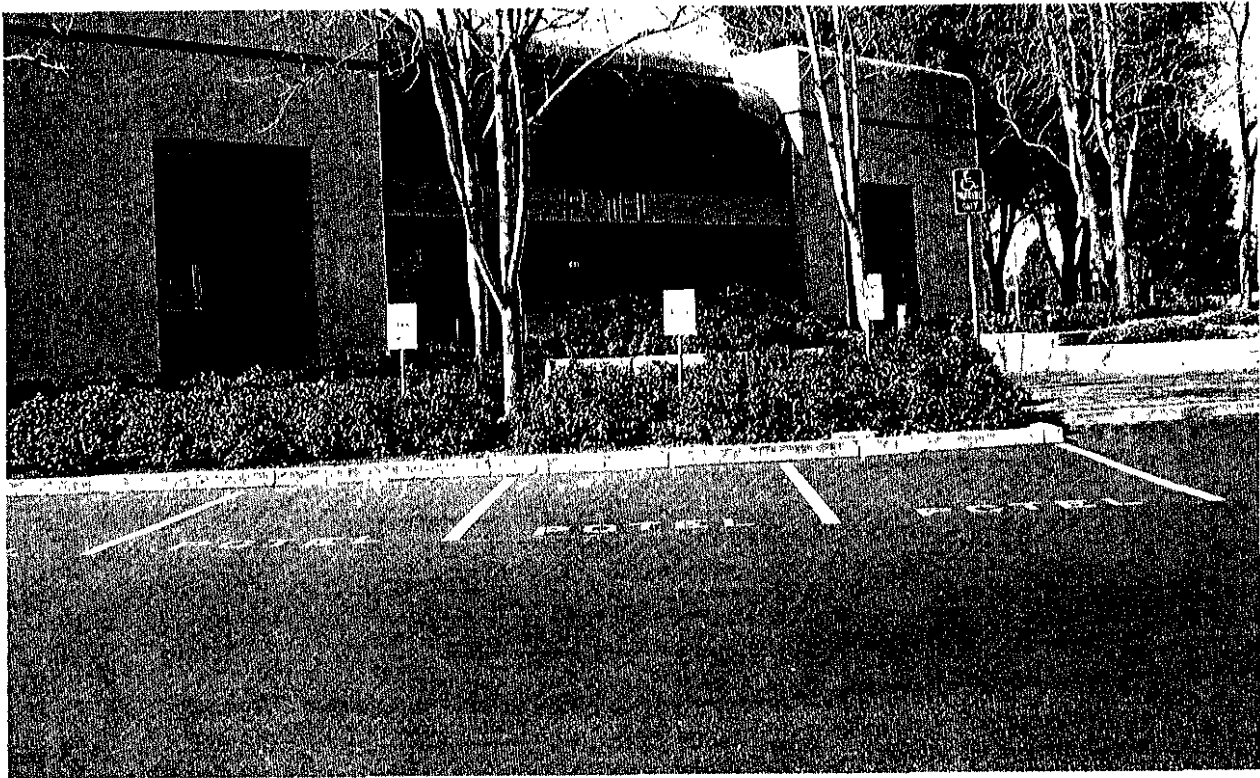
Parking Analysis from Fehr and Peers, dated December 17, 2003

PJ#3173

BACKGROUND

In March 1985, the City approved two industrial buildings totaling approximately 100,000 square feet at 611 and 631 South Milpitas Boulevard. Subsequently, the city approved a freestanding sign in 1987, and other various site improvements in 1990, including a garbage enclosure and revised building elevations.

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View looking north

Site Description

The site is located off of Milpitas Boulevard, to the north of the Yosemite and Milpitas Boulevard intersection. The site is adjacent to (and shares the parking lot) with another parcel to the west that has direct access onto Gibraltar Court. The site is located amidst a Heavy Industrial area, with uses including office/R&D, manufacturing, and warehousing.

THE APPLICATION/PROJECT DESCRIPTION

This Use Permit No. P-UP2004-4 application is submitted pursuant to Section 57.02-18 (Conditional Uses, Permit the modification of automobile parking space requirements) of the Milpitas Zoning Ordinance. The applicant is requesting a parking reduction of 18 parking spaces for the proposed conversion of an 18,000 square foot tenant space from an R&D use to a medical (Kaiser) office use.

ISSUES

USE PERMIT FINDINGS

Any approval of a Use Permit or Use Permit Amendment requires that the Planning Commission make the following findings:

1. The proposed use is consistent with the Milpitas Zoning Ordinance.
2. The proposed use is consistent with the Milpitas General Plan.

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3. The proposed use, at the proposed location will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety, and general welfare.

The following sections explain how the proposed project, as conditioned, satisfies the above findings.

Parking

Pursuant to Section 53.23-4 part (1) of the Milpitas Zoning Ordinance, the required parking for the proposed medical office use in the 18,000 square foot tenant space would be 80 parking spaces based on 1 stall per 225 gross square feet. The previous parking required for this tenant space was 60, based on 1 stall per 300 gross square feet. This results in a net increase in required parking of 20 spaces, however, because there is an existing surplus of 2 parking spaces, the total parking reduction requested is 18 spaces. The following table illustrates the parking conditions for the project:

Use	Square Feet	Parking Ratio	Parking Required
<i>Existing</i>			
Medical Office	41,190	1 per 225 gross square feet	183
R&D	18,072	1 per 300 gross square feet	60
<i>Proposed</i>			
Medical	59,262	1 per 225 gross square feet	263
<i>Existing Parking</i>			245
<i>Net Deficit</i>			18

To justify the parking reduction, the applicant had a parking survey completed for the proposal. Based on parking surveys of the existing site, the peak demand for the existing 41,000 square foot Kaiser medical facility was only 142 spaces out of 184 required. Thus, the existing parking demand/ratio was 3.46 spaces per 1000 square feet. When taking this ratio and applying it to the proposed tenant space (proposed medical office expansion of 18,000 square feet), while the zoning ordinance requires 80 spaces, the real-world parking demand for this use, at this site, will be closer to 62 parking spaces (based on a similar 3.46 spaces per 1000 square feet). Thus, the expected parking demand for the entire building (based on 59,262 square feet) would be 205 parking spaces, well below the 245 parking spaces provided on-site.

Therefore, based on the completed parking survey staff can support the parking reduction of 18 spaces.

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Conformance with the Zoning Ordinance and General Plan

Parking reductions (modifications) are granted through the conditional use process. Parking reductions are allowed if proven through surveys and/or historical evidence that the reduction will not impact the site or neighboring properties.

As evidenced by the surveys, it is concluded that a parking reduction for this medical office expansion would not impact the site or neighboring properties.

The proposed use permit does not conflict with any General Plan policies, and is consistent with Policy 2.a-I-3, which will help to encourage pursuits which will strengthen and promote development through stability and balance. Without the parking reduction, the medical office expansion will not be able to locate in this location.

Neighborhood/Community Impact

As conditioned, this use permit is not expected to have any impact on the existing community and neighborhood. By allowing the parking reduction, the expanded Kaiser facility will be able to better service residents in the community.

RECOMMENDATION

Close the Public Hearing. Approve Use Permit No. P-UP2004-4, based on the Findings and subject to the Special Conditions listed below:

FINDINGS

1. This Use Permit is categorically exempt from further environmental review pursuant to Class 1, Section 15301 (Existing Facilities) of the State CEQA Guidelines.
2. As conditioned, this Use Permit is in conformance with the City's Zoning Ordinance and General Plan, as it will not result in any impacts to the surrounding neighborhood.
3. As conditioned, this Use Permit will not be detrimental or injurious to the public health, safety, and general welfare to adjacent future property owners and tenants or the surrounding community because the applicant has demonstrated there are no existing and will not be any future parking issues.
4. This Use Permit will not impact parking at 611 South Milpitas Boulevard, nor surrounding properties because surveys of the facilities show that there is adequate on-site parking to serve the facility.

SPECIAL CONDITIONS

1. Use Permit No. P-UP2004-4 is for a 18 space parking reduction at 611 South Milpitas Boulevard. Any reduction of number of parking spaces shall require review and approval by the Planning Commission of an amendment to this Use Permit. (P)
2. This use shall be conducted in compliance with all appropriate local, state and federal laws and regulations and in conformance with the approved plans. (P)

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USE PERMIT NO. P-UP2004-4—Parking Reduction at 611 South Milpitas Boulevard

3. If at the time of application for permit there is a project job account balance due to the City for recovery of review fees, review of permits will not be initiated until the balance is paid in full. (P)
4. If at the time of application for a certificate of occupancy there is a project job account balance due to the City for recovery of review fees, a certificate of occupancy shall not be issued until the balance is paid in full. (P)

(P) = Planning Division



MEMORANDUM

To: Rick Bland
CB Richard Ellis

From: Robert H. Eckols, P.E.
Jason D. Pack JP

Date: December 17, 2003

Subject: Milpitas Kaiser Parking Analysis

1035-654

This memorandum summarizes parking occupancy surveys conducted for two buildings located at 611 and 631 S. Milpitas Boulevard in Milpitas, California. Each building is owned separately; however they share a common parking area. The western office building (631) is owned by Adaptec and is occupied by three technology companies: HDC, IRiver, and ServGate. The eastern office building (611) is owned by Barker Pacific Group and is partially occupied (41,000 sq. ft.) by a medical office operated by Kaiser Permanente. The remaining space (18,000 sq. ft.) in the eastern building was formerly occupied by PCTEL, but is currently vacant. All of the parking spaces on the site are assigned to one of the tenants via painted legends on the individual spaces (with the exception of the Kaiser patient parking that have no legend).

Kaiser Permanente would like to occupy the remaining 18,000 sq. ft. of vacant office space in the eastern building. The purpose of this memorandum is to document the existing parking demand generated by the Kaiser clinic and determine if there is sufficient parking to serve the future demand after their expansion. Since the buildings share a common parking area, this memorandum also documents the parking demand for the entire site.

Parking Supply

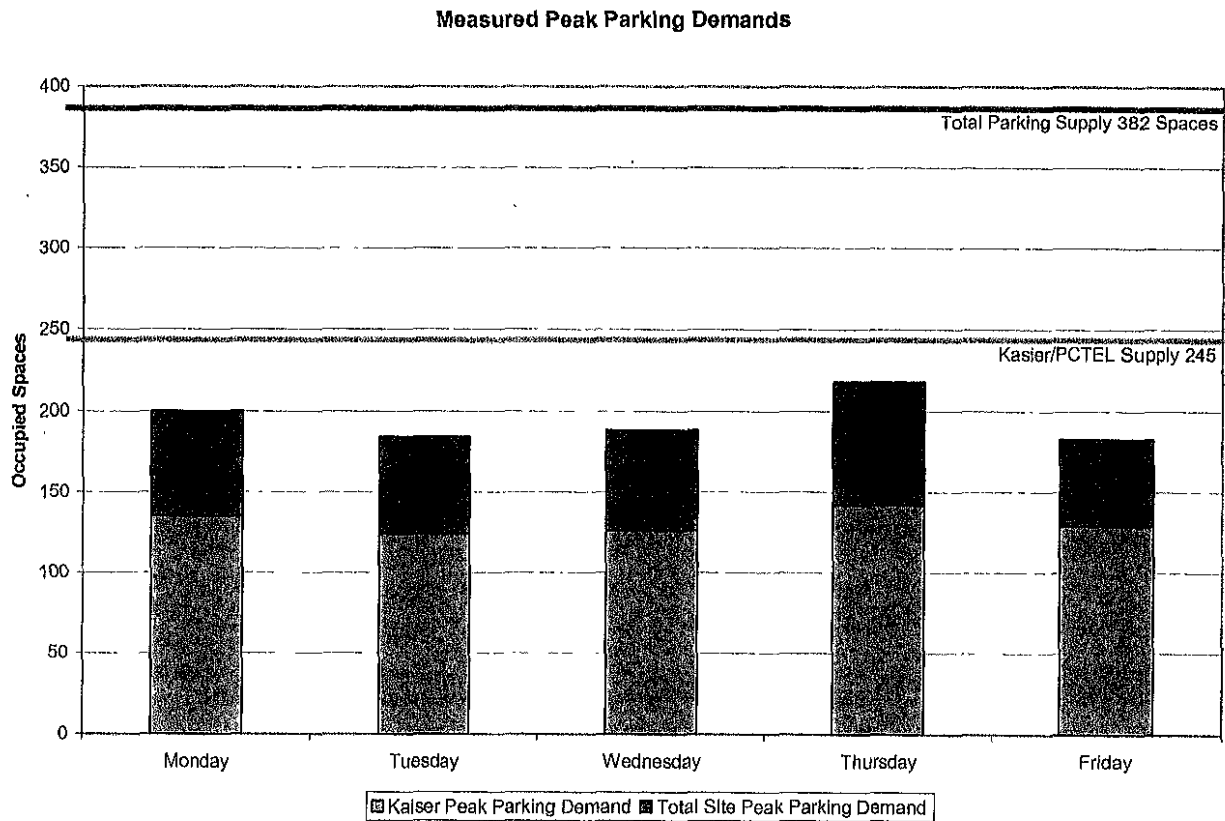
Prior to starting the parking occupancy survey, the total number of parking spaces on the site was established by Fehr & Peers Associates. The entire project site currently has 382 on-site parking spaces. A total of 245 spaces (excluding handicapped spaces) are designated for the eastern building and 137 spaces are designated for the western building. The breakdown of parking spaces by business uses are as follows:

- Kaiser Patient – 125 spaces
- Kaiser Staff – 59 spaces
- PCTEL – 61 spaces
- HDC – 56 spaces
- IRiver – 26 spaces
- ServGate – 55 spaces
- Handicapped Parking – 16 spaces (scattered throughout the site)

Parking Occupancy Surveys

Fehr & Peers conducted parking occupancy surveys from Monday, December 8th, through Friday, December 12th, 2003. The surveys were conducted every half hour from 8:00 am until 6:00 pm. The raw survey data is attached as Table A-1. The results are summarized on the graph below. For the purposes of this analysis, cars parked in spaces designated for Kaiser Patients (without painted

legends), Kaiser Staff, and PCTEL were all assumed to be generated by Kaiser. Vehicles parked in the other spaces were assumed to be generated by uses in the western office building.



As illustrated on the graph, Kaiser's peak demand occurred on Thursday (at 11:30 AM) and was 142 parked cars (77 percent of the 184 spaces assigned to Kaiser). This was also the time when the peak demand for the entire site was measured at 218 parked vehicles or 57 percent of the total on-site spaces.

It should be noted that the numbers described above do not include the handicap parking spaces located on the project site. The peak parking demand for the handicap parking spaces occurred at 10:30 am on Tuesday and was six vehicles.

Estimated Kaiser Demand

Based on the data collected, the existing 41,000 sq. ft. Kaiser facility generates a peak parking demand of 142 spaces. This represents a parking ratio 3.46 occupied spaces per 1,000 sq. ft. Applying this parking ratio to the additional 18,000 sq. ft. expansion would generate demand for an additional 62 parking spaces (a total demand of 204 spaces).

Conclusions

The Kaiser facility, after expansion, is expected to generate a peak parking demand of 204 spaces. It is standard engineering practice for medical uses to provide an additional number of spaces, equal to ten percent of the demand, to account for turnover in the parking lot. Therefore, it is recommended that at least 224 parking spaces be provided for use by Kaiser. Since there will be

245 parking spaces designated for use by Kaiser, the proposed supply is considered to be more than sufficient to serve expected demand.

The peak demand on the handicap parking spaces was measured to be six vehicles. There are currently 16 handicap parking spaces on the project site and 10 of these spaces are adjacent to the Kaiser building (611 S. Milpitas Blvd). Even with the proposed Kaiser expansion, the existing supply is considered to be more than sufficient to serve expected demand.

Attachments

Table A-1

Parking Occupancy Surveys - Monday

Time	Number of Occupied Kaiser Spaces				Number of Occupied "Adaptec" Spaces				Total OccupiedSpace	Handicap
	PCTEL	Kaiser Staff	Kaiser Patient	Total	HDC	Irver	ServGate	Total		
8:00 AM	0	18	19	37	14	10	4	28	65	0
8:30 AM	1	25	27	53	17	17	6	40	93	0
9:00 AM	3	34	60	97	18	18	8	44	141	1
9:30 AM	5	37	76	118	21	9	20	50	168	1
10:00 AM	6	37	83	126	26	13	20	59	185	4
10:30 AM	8	36	86	130	25	15	24	64	194	5
11:00 AM	8	37	83	128	26	15	19	60	188	5
11:30 AM	8	37	90	135	24	16	25	65	200	4
12:00 PM	6	32	65	103	21	12	23	56	159	2
12:30 PM	5	21	52	78	20	11	22	53	131	1
1:00 PM	2	21	31	54	22	11	18	51	105	2
1:30 PM	3	30	64	97	26	13	24	63	160	2
2:00 PM	4	32	76	112	28	15	26	69	181	3
2:30 PM	4	33	82	119	27	14	26	67	186	4
3:00 PM	8	33	77	118	24	16	26	66	184	2
3:30 PM	7	31	73	111	19	14	25	58	169	2
4:00 PM	8	29	71	108	14	13	25	52	160	4
4:30 PM	8	29	74	111	15	13	26	54	165	3
5:00 PM	8	21	63	92	10	12	24	46	138	1
5:30 PM	8	15	43	66	10	5	22	37	103	0
6:00 PM	7	10	34	51	7	1	18	26	77	1

Source: Fehr & Peers Associates. Counts conducted December 8th through December 12th, 2003.

Table A-1 Continued

Parking Occupancy Surveys - Tuesday

Time	Number of Occupied Kaiser Spaces				Number of Occupied "Adaptec" Spaces				Total OccupiedSpace	Handicap
	PCTEL	Kaiser Staff	Kaiser Patient	Total	HDC	Irver	ServGate	Total		
8:00 AM	0	18	11	29	14	8	5	27	56	0
8:30 AM	1	28	29	58	18	13	6	37	95	0
9:00 AM	2	37	50	89	20	14	7	41	130	1
9:30 AM	2	38	58	98	26	15	13	54	152	2
10:00 AM	3	39	64	106	27	15	17	59	165	2
10:30 AM	5	39	69	113	29	15	20	64	177	6
11:00 AM	7	39	69	115	31	15	20	66	181	5
11:30 AM	6	39	79	124	27	14	19	60	184	3
12:00 PM	6	39	61	106	28	13	16	57	163	1
12:30 PM	4	34	48	86	27	8	13	48	134	2
1:00 PM	4	29	37	70	25	10	13	48	118	3
1:30 PM	6	29	56	91	23	12	15	50	141	3
2:00 PM	7	37	70	114	27	14	19	60	174	4
2:30 PM	7	38	75	120	26	14	16	56	176	2
3:00 PM	7	38	77	122	27	15	16	58	180	2
3:30 PM	6	36	61	103	23	15	16	54	157	2
4:00 PM	7	37	60	104	21	13	16	50	154	4
4:30 PM	8	27	53	88	21	12	17	50	138	3
5:00 PM	8	20	43	71	18	13	17	48	119	4
5:30 PM	5	14	36	55	5	3	15	23	78	2
6:00 PM	5	10	32	47	3	2	13	18	65	1

Source: Fehr & Peers Associates. Counts conducted December 8th through December 12th, 2003.

Table A-1 Continued

Parking Occupancy Surveys - Wednesday

Time	Number of Occupied Kaiser Spaces				Number of Occupied "Adaptec" Spaces				Total OccupiedSpace	Handicap
	PCTEL	Kaiser Staff	Kaiser Patient	Total	HDC	Driver	ServGate	Total		
8:00 AM	0	17	12	29	15	9	1	25	54	0
8:30 AM	3	30	32	65	19	13	4	36	101	0
9:00 AM	5	38	54	97	24	14	8	46	143	2
9:30 AM	7	39	65	111	27	14	12	53	164	3
10:00 AM	7	38	60	105	29	15	18	62	167	3
10:30 AM	8	38	64	110	29	15	22	66	176	2
11:00 AM	8	39	71	118	29	15	26	70	188	2
11:30 AM	8	37	61	106	31	15	24	70	176	3
12:00 PM	7	37	60	104	30	13	23	66	170	3
12:30 PM	6	37	48	91	26	7	19	52	143	1
1:00 PM	6	38	41	85	27	7	15	49	134	2
1:30 PM	6	38	50	94	23	9	15	47	141	2
2:00 PM	6	38	71	115	30	14	20	64	179	2
2:30 PM	6	39	80	125	29	14	18	61	186	3
3:00 PM	6	38	72	116	29	13	19	61	177	4
3:30 PM	6	39	73	118	28	14	20	62	180	2
4:00 PM	6	35	85	126	20	14	21	55	181	4
4:30 PM	6	22	66	94	18	13	20	51	145	5
5:00 PM	6	17	49	72	11	13	20	44	116	2
5:30 PM	4	13	45	62	6	4	16	26	88	0
6:00 PM	3	7	33	43	6	2	13	21	64	0

Source: Fehr & Peers Associates. Counts conducted December 8th through December 12th, 2003.

Table A-1 Continued

Parking Occupancy Surveys - Thursday

Time	Number of Occupied Kaiser Spaces				Number of Occupied "Adaptec" Spaces				Total OccupiedSpace	Handicap
	PCTEL	Kaiser Staff	Kaiser Patient	Total	HDC	Iriver	ServGate	Total		
8:00 AM	0	17	10	27	16	7	3	26	53	0
8:30 AM	0	30	31	61	18	13	6	37	98	0
9:00 AM	1	37	47	85	21	12	10	43	128	0
9:30 AM	4	38	66	108	24	13	16	53	161	1
10:00 AM	8	38	88	134	28	14	18	60	194	1
10:30 AM	9	39	85	133	29	14	25	68	201	3
11:00 AM	10	39	82	131	31	14	28	73	204	2
11:30 AM	10	39	93	142	33	14	29	76	218	3
12:00 PM	10	40	66	116	26	13	26	65	181	1
12:30 PM	10	35	46	91	26	6	20	52	143	2
1:00 PM	8	36	34	78	30	8	22	60	138	1
1:30 PM	8	36	64	108	25	13	22	60	168	2
2:00 PM	11	36	73	120	28	15	24	67	187	1
2:30 PM	11	36	69	116	28	15	24	67	183	3
3:00 PM	11	36	71	118	28	15	24	67	185	2
3:30 PM	11	34	78	123	22	14	23	59	182	2
4:00 PM	11	31	75	117	15	14	19	48	165	4
4:30 PM	11	26	71	108	13	14	21	48	156	2
5:00 PM	10	18	69	97	10	12	22	44	141	1
5:30 PM	9	12	52	73	9	5	17	31	104	2
6:00 PM	9	11	40	60	8	4	16	28	88	2

Source: Fehr & Peers Associates. Counts conducted December 8th through December 12th, 2003.

Table A-1 Continued

Parking Occupancy Surveys - Friday

Time	Number of Occupied Kaiser Spaces				Number of Occupied "Adaptec" Spaces				Total OccupiedSpace	Handicap
	PCTEL	Kaiser Staff	Kaiser Patient	Total	HDC	Irver	ServGate	Total		
8:00 AM	1	19	11	31	6	10	4	20	51	0
8:30 AM	2	29	27	58	8	12	5	25	83	0
9:00 AM	2	37	48	87	10	15	7	32	119	1
9:30 AM	2	39	59	100	13	16	12	41	141	3
10:00 AM	3	39	79	121	16	17	12	45	166	4
10:30 AM	4	40	80	124	16	12	14	42	166	3
11:00 AM	4	40	85	129	17	15	22	54	183	4
11:30 AM	4	40	84	128	16	13	22	51	179	5
12:00 PM	4	37	65	106	16	9	21	46	152	3
12:30 PM	3	32	41	76	16	8	20	44	120	2
1:00 PM	2	31	28	61	16	10	17	43	104	1
1:30 PM	4	33	53	90	14	12	20	46	136	1
2:00 PM	4	30	60	94	17	13	19	49	143	5
2:30 PM	5	32	71	108	18	13	20	51	159	3
3:00 PM	5	33	70	108	17	13	21	51	159	4
3:30 PM	5	33	67	105	16	13	22	51	156	2
4:00 PM	4	28	58	90	14	13	20	47	137	5
4:30 PM	4	16	53	73	13	10	20	43	116	2
5:00 PM	4	16	39	59	9	8	20	37	96	2
5:30 PM	4	10	35	49	8	7	15	30	79	0
6:00 PM	4	8	21	33	9	2	16	27	60	0

Source: Fehr & Peers Associates. Counts conducted December 8th through December 12th, 2003.

BARKER PACIFIC GROUP

January 30, 2004

Planning & Zoning Information
Milpitas City Hall
455 East Calaveras Blvd.
Milpitas, CA 95035

Dear City Planners,

In order to accommodate the future plans of our tenant, Kaiser Foundation Health Plan, we want to ensure they will be able to expand into the remainder of our property and abide by all city codes. The tenant is now in 70% of the building and an office tenant (Adaptec) is in 30% of the building. The building is now in full compliance with the parking ratio as code calculations require. As medical uses require slightly higher parking ratios by the city codes, if Kaiser becomes 100% occupant, the code calculations would be exceeded by a minor amount.



LOS ANGELES
SAN FRANCISCO
SAN DIEGO

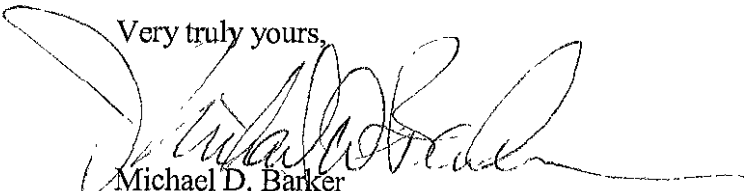
In discussing this with the city planners to date, a parking study was performed according to the specifications of the city traffic director, Mr. Joe Oliva. The actual parking demand is much lower than city code requirements. Our parking consultant, Fehr & Peers, even factored up the actual demand by 10% from 204 spaces needed at 100% medical occupancy to 224 spaces. Therefore, we request that the parking requirement for the potential 100% medical occupancy be 224 parking spaces.

As a quick review the data on the parking is as follows:

- Current medical occupancy 41,190 sf
- Current R&D occupancy 18,072 sf
- Total rentable sf 59,262 sf
- Onsite parking spaces: 255, including 20 easement spaces
- Onsite parking spaces after deduction of easement spaces: 235 spaces
- Peak demand from 100% medical occupancy: 204 spaces
10% excess per parking consultant norms factors up to 224 spaces

We respectfully request that the use permit allow 100% medical occupancy requiring 224 parking spaces.

Very truly yours,

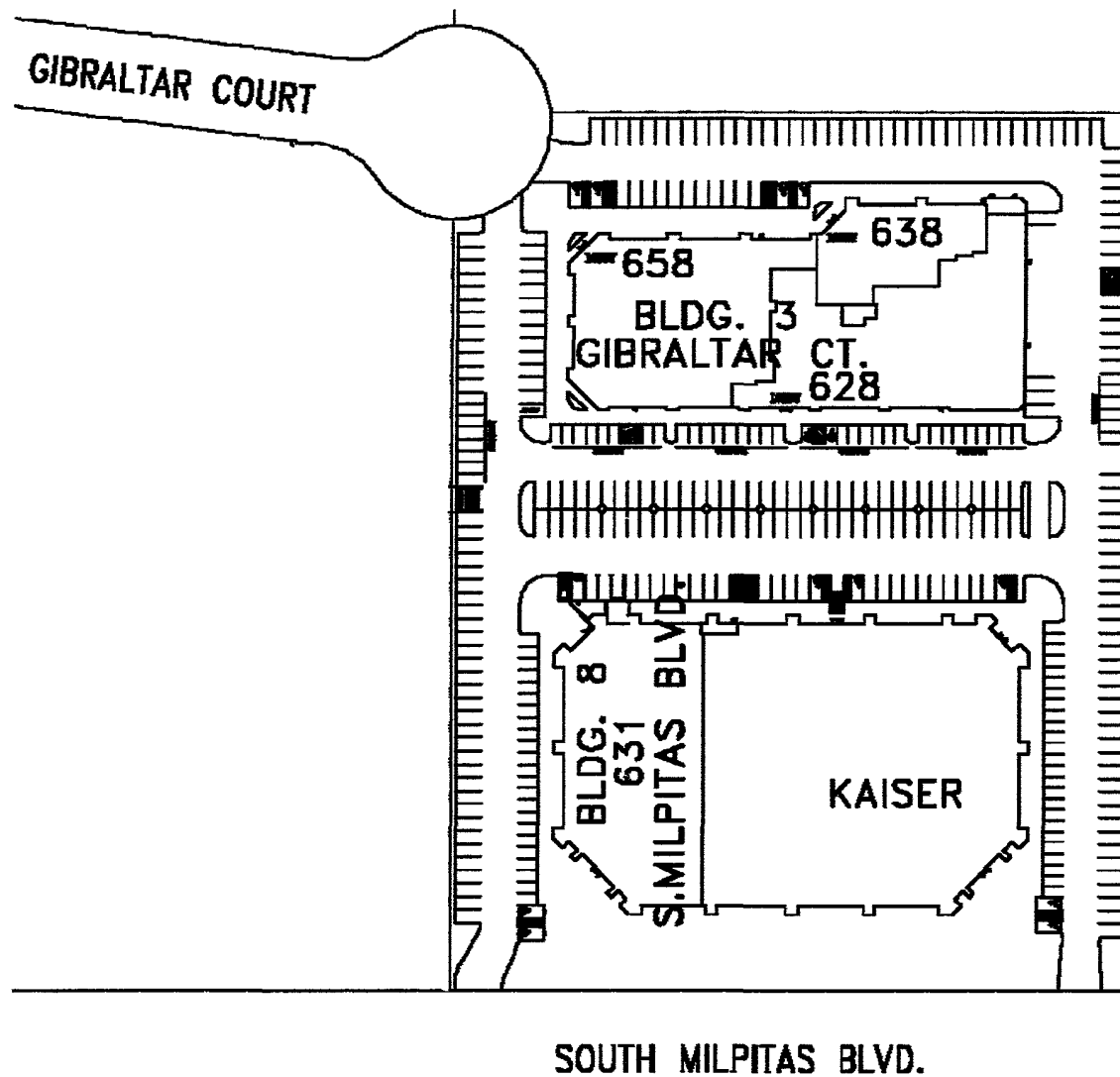

Michael D. Barker
Managing Director

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PLANNING DIVISION**

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FEB 26 2004

CITY OF MILPITAS
BUILDING DIVISION

611 MILPITAS

SITE PLAN

SCALE: NTS

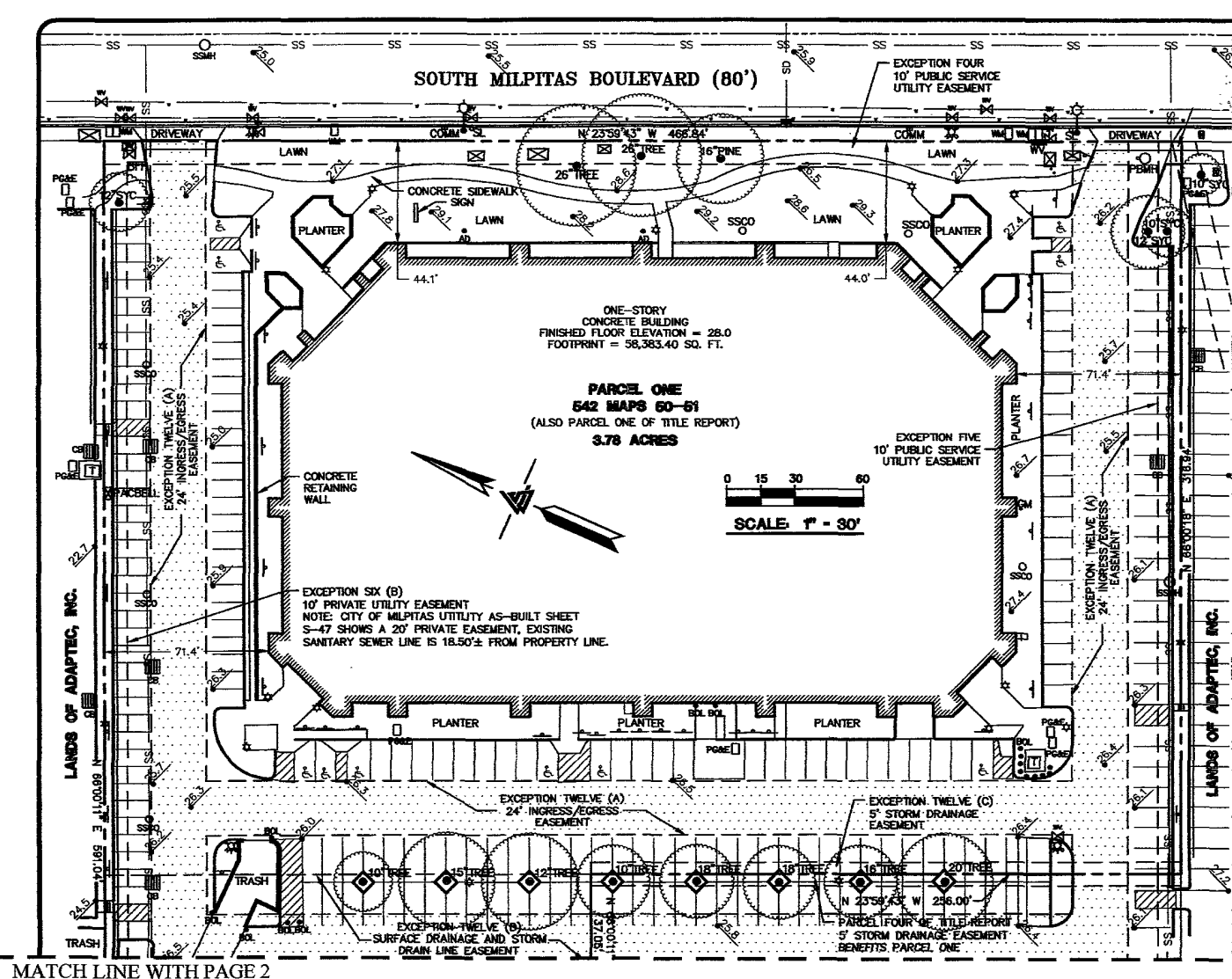
KLAWITER AND ASSOCIATES, INC.
INTERIOR PLANNING AND DESIGN
PH: 213.622.1855 FAX: 213.622.3406



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